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COMMISSIONERS

GARY PIERCE—Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, LLC, DBA  
JOHNSON UTILITIES COMPANY FOR  
AN INCREASE IN ITS WATER AND  
WASTEWATER RATES FOR  
CUSTOMERS WITHIN PINAL COUNTY,  
ARIZONA.

DOCKET NO. WS-02987A-08-0180

**NOTICE OF FILING NEW AND  
REVISED TARIFF SHEETS**

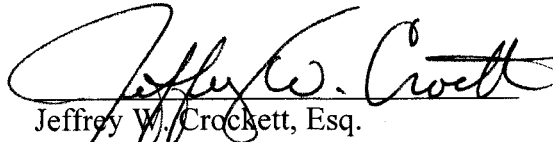
In Decision 72579, the Arizona Corporation Commission ("Commission") approved changes to the rates and charges of Johnson Utilities, LLC ("Johnson Utilities" or the "Company") as authorized in Decision 71854, and ordered the Company to file revisions to its tariff in conformance with Decision 72579. In accordance with the Decision, Johnson Utilities hereby files the following revised and new tariff sheets:

Revised Sheet No. ii.1	Cancelling Sheet No. ii
Revised Sheet No. iii.1	Cancelling Sheet No. iii
New Sheet No. 11.a	
New Sheet No. 11.b	
New Sheet No. 11.c	
New Sheet No. 11.d	
New Sheet No. 11.e	
Revised Sheet No. 18.1	Cancelling Sheet No. 18
Revised Sheet No. 19.1	Cancelling Sheet No. 19
New Sheet No. 21.a	
New Sheet No. 21.b	
New Sheet No. 21.c	
New Sheet No. 21.d	

Pursuant to Decision 72579, the revised and new tariff sheets are effective for all service rendered on and after October 1, 2011.

1 RESPECTFULLY submitted this 10<sup>th</sup> day of November, 2011.

2 BROWNSTEIN HYATT FARBER SCHRECK LLP

3 

4 Jeffrey W. Crockett, Esq.  
5 40 N. Central Ave., Fourteenth Floor  
6 Phoenix, Arizona 85004  
Attorneys for Johnson Utilities LLC

7 ORIGINAL and thirteen (13) copies of the  
8 foregoing filed this 10<sup>th</sup> day of November, 2011, with:

9 Docket Control  
10 ARIZONA CORPORATION COMMISSION  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

13 Copy of the foregoing hand-delivered  
14 this 10<sup>th</sup> day of November, 2011, to:

15 Teena Jibilian, Administrative Law Judge  
16 Hearing Division  
17 ARIZONA CORPORATION COMMISSION  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 Janice Alward, Chief Counsel  
21 Legal Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 Steve Olea, Director  
26 Utilities Division  
27 ARIZONA CORPORATION COMMISSION  
28 1200 West Washington Street  
Phoenix, Arizona 85007

Daniel W. Pozefsky, Chief Counsel  
RESIDENTIAL UTILITY CONSUMER OFFICE  
1110 W. Washington Street, Suite 220  
Phoenix, Arizona 85007

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COPY of the foregoing sent via e-mail and first  
class mail this 10<sup>th</sup> day of November, 2011, to:

Craig A. Marks, Esq.  
Craig A. Marks, PLC  
10645 North Tatum Boulevard  
Suite 200-676  
Phoenix, Arizona 85028

James E. Mannato, Town Attorney  
Town of Florence  
P.O. Box 2670  
775 North Main Street  
Florence, Arizona 85232-2670

  
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ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**J. Off-site Facilities Hook-up Fee.**

1. Purpose and Applicability. The purpose of the Off-site Facilities Hook-up Fee (also referred to as "Hook-up Fees") payable to the Company pursuant to this tariff is to equitably apportion the costs of constructing additional Off-site Facilities necessary to provide water production, delivery, storage and pressure among all new service connections. The Hook-up Fees are applicable to all new service connections established after the effective date of this tariff undertaken via a Main Extension Agreement or requests for service not requiring a Main Extension Agreement. The Hook-up Fees are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below. The Hook-up Fees are in addition to Service Line and Meter Installation Charges, the requirement for on-site facilities to be installed pursuant to approved Main Extension Agreements, and the payment of Monthly Water Usage Charges, Commodity Charges and other charges authorized under this tariff.

2. Definitions. Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

a. "Applicant" means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

b. "Company" means Johnson Utilities, L.L.C.

c. "Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

d. "Off-site Facilities" means wells, storage tanks and related appurtenance necessary for proper operation, including engineering and design costs. Off-site Facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the

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Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

Applicant and will benefit the entire water system.

e. "Service Connection" means and includes all service connections for single-family residential or commercial, industrial or other uses, regardless of meter size.

3. Off-site Facilities Hook-up Fee. For each new service connection, the Company shall collect an Off-site Facilities Hook-up Fee as listed in the following table:

<b>OFF-SITE WATER FACILITY HOOK-UP FEE TARIFF TABLE</b>	
<b>Meter Size</b>	<b>Total Fee</b>
5/8 x 3/4"	\$750.00
3/4"	\$900.00
1"	\$1,500.00
1-1/2"	\$3,000.00
2"	\$4,800.00
3"	\$9,000.00
4"	\$15,000.00
6"	\$30,000.00

4. Terms and Conditions.

a. Assessment of One-Time Off-site Facilities Hook-up Fee. The Off-site Facilities Hook-up Fee may be assessed only once per parcel, service connection or lot within a subdivision (similar to meter and service line installation charges).

b. Use of Off-site Facilities Hook-up Fees. Off-site Facilities Hook-up Fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of Off-site Facilities. Off-site Facilities Hook-up Fees

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Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

shall not be used to cover repairs, maintenance or operational costs.

c. Time of Payment.

i. For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements or to construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-up Fees required hereunder shall be made by the Applicant no later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

ii. For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the Hook-up Fees required hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

d. Off-site Facilities Construction by Developer. The Company and the Applicant may agree to construction of Off-site Facilities necessary to serve a particular development by the Applicant, which facilities are then conveyed to the Company. In that event, the Company shall credit the total cost of such Off-site Facilities as an offset to Off-site Facilities Hook-up Fees due under this tariff. If the total cost of the Off-site Facilities constructed by the Applicant and conveyed to the Company is less than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall pay the remaining amount of Off-site Facilities Hook-up Fees owed hereunder upon acceptance of the Off-site Facilities by the Company. If the total cost of the Off-site Facilities contributed by the Applicant and conveyed to the Company is more than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall be refunded the difference upon acceptance of the Off-site Facilities by the Company.

e. Failure to Pay Fees; Delinquent Payments. The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant if the Applicant has not paid in full all Hook-up Fees required hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

f. Large Subdivision and/or Development Projects. In the event that the Applicant is engaged in the development of a residential subdivision and/or development

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Johnson Utilities Company  
5320 E. Shea Blvd.  
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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

containing more than 150 lots, the Company may, in its discretion, agree to payment of Off-site Facilities Hook-up Fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and Hook-up Fees schedule for the subdivision and/or development.

g. Off-site Facilities Hook-up Fees Non-refundable. The amounts collected by the Company as Off-site Facilities Hook-up Fees pursuant to the Off-site Facilities Hook-up Fee tariff shall be non-refundable contributions in aid of construction.

h. Use of Off-site Facilities Hook-up Fees Received. All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest-bearing bank account and used solely for the purposes of paying for the costs of installation of the Off-site Facilities, including repayment of loans obtained for the installation of Off-site Facilities that will benefit the entire water system.

i. Off-site Facilities Hook-up Fees in Addition to On-site Facilities. The Off-site Facilities Hook-up Fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

j. Disposition of Excess Funds. After all necessary and desirable Off-site Facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee, or if the Off-site Facilities Hook-up Fee has been terminated by order of the Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

j. Fire Flow Requirements. In the event the Applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the Off-site Facilities Hook-up Fee, and which are contemplated to be constructed using the proceeds of the Off-site Facilities Hook-up Fee, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-site Facilities Hook-up Fee.

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Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

k. Status Reporting Requirements to the Commission. The Company shall submit a calendar year Off-site Facilities Hook-up Fee status report each January 31<sup>st</sup> to Docket Control for the prior twelve (12) month period, beginning January 31, 2012, until the Off-site Facilities Hook-up Fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the Off-site Facilities Hook-up Fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the bank account, and a list of all facilities that have been installed with the tariff funds during the 12- month period.

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George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**I. RATES AND CHARGES.**

In Decision No. 71854 (August 25, 2010), as amended by Decision 72579 (September 15, 2011), the Commission approved new rates and charges as set forth in this tariff to be effective for all wastewater service rendered by the Company in all wastewater service areas for all classes of service on and after June 1, 2010.

**A. Monthly Wastewater Usage Charge.**

Each customer shall pay a Monthly Wastewater Usage Charge based upon the size of the customer's water meter, as follows:

<u>Meter Size</u>	<u>Monthly Wastewater Usage Charge</u>
5/8" Meter	\$35.7700
3/4" Meter	\$39.3500
1" Meter	\$50.0800
1-1/2" Meter	\$64.3900
2" Meter	\$103.7300
3" Meter	\$393.4700
4" Meter	\$751.1700
6" Meter	\$1,037.3300
8" Meter	\$1,430.8000
10" Meter	\$2,056.7800

Pursuant to Decision No. 64062 (October 4, 2001), the monthly billing for wastewater service at a new wastewater service location shall commence when wastewater first flows into the wastewater collection system.

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George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**B. Service Line Connection Charge.**

In addition to all other applicable rates and charges in this tariff, each customer requesting new wastewater service shall pay a Service Line Connection Charge in the amount of \$350.00.

The Company shall install and own the service line up to the customer's property line. The customer shall install and own the service line on the customer's side of the customer's property line. The customer shall maintain and operate the service line from the connection to the main line in the street or right-of-way to its interconnection with the customer's building or facility.

**C. Sale of Effluent.**

1. Rate Per 1,000 gallons: \$0.6300.
2. Rate Per Acre-Foot: \$205.2900.

**D. Additional Service Charges.**

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

Establishment	\$25.00
Establishment (After Hours)	\$40.00
Deposit (Residential)	(a)
Deposit (Non-Residential)	(a)
Deposit Interest, Per Annum	(b)
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	\$15.00
Deferred Payment Interest, Per Month	1.50%
After-Hours Service, Per A.A.C. R14-2-603(D)	Refer to Above Charges
Late Charge, Per Month	1.50% (d)

**Notes to Additional Service Charges:**

- (a) Residential: two times the average monthly bill.  
Non-Residential: two and one-half times the maximum monthly bill.

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**H. Off-site Facilities Hook-up Fee.**

1. Purpose and Applicability. The purpose of the Off-site Facilities Hook-up Fee (also referred to as "Hook-up Fees") payable to the Company pursuant to this tariff is to equitably apportion the costs of constructing additional Off-site Facilities necessary to provide wastewater treatment plant facilities among all new service laterals. These fees are applicable to all new service laterals established after the effective date of this tariff undertaken via a Collection Main Extension Agreement or request for service not requiring a Collection Main Extension Agreement. The Hook-up Fees are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below. The Hook-up Fees are in addition to Service Line Connection Charges, the requirement for on-site facilities to be installed pursuant to Collection Main Extension Agreements, and the payment of Monthly Wastewater Usage Charges and other charges authorized under this tariff.

2. Definitions. Unless the context otherwise requires, the definitions set forth in R-14-2-601 of the Arizona Corporation Commission's rules and regulations governing sewer utilities shall apply in interpreting this tariff schedule.

a. "Applicant" means any party entering into an agreement with the Company for the installation of wastewater facilities to serve new service laterals, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

b. "Company" means Johnson Utilities, L.L.C.

c. "Collection Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of wastewater facilities necessary for the Company to serve new service laterals within a development, or to install such wastewater facilities necessary to serve new service laterals and transfer ownership of such wastewater facilities to the Company, which agreement does not require the approval of the Commission pursuant to A.A.C. R-14-2-606, and shall have the same meaning as "Wastewater Facilities Agreement."

d. "Off-site Facilities" means the wastewater treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenances necessary for proper operation, including engineering and design costs. Off-site Facilities may also include lift stations, transportation mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the Applicant and benefit the entire wastewater system.

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George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

e. "Service Lateral" means and includes all service connections for single-family residential, commercial, industrial or other uses.

3. Off-site Facilities Hook-up Fee. For each new service lateral, the Company shall collect an Off-site Facilities Hook-up Fee as listed in the following table:

<b>OFF-SITE WASTEWATER HOOK-UP FEE TARIFF TABLE</b>	
<b>Service Lateral Size</b>	<b>Total Fee</b>
4"	\$1,000
6"	\$2,000
8" or greater	\$4,000

4. Terms and Conditions.

a. Assessment of One-Time Off-site Facilities Hook-up Fee. The Off-site Facilities Hook-up Fee may be assessed only once per parcel, service lateral or lot within a subdivision (similar to service lateral installation charges).

b. Use of Off-site Facilities Hook-up Fees. Off-site Facilities Hook-up Fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of Off-site Facilities. Off-site Facilities Hook-up Fees shall not be used to cover repairs, maintenance or operational costs.

c. Time of Payment.

i. For those requiring a Collection Main Extension Agreement: In the event that the Applicant is required to enter into a Collection Main Extension Agreement, whereby the Applicant agrees to advance the costs of on-site improvements or to construct such improvements, payment of the Hook-up Fees required hereunder shall be made by the Applicant when payment is made for the on-site wastewater facilities or 30 days after the Collection Main Extension Agreement is executed, whichever is later.

ii. For those connecting to an existing collection main: In the event that the Applicant is not required to enter into a Collection Main Extension Agreement, the

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

Hook-up Fees required hereunder shall be due and payable at the time wastewater service is requested for the property.

d. Off-site Facilities Construction by Applicant. The Company and the Applicant may agree to construction of Off-site Facilities necessary to serve a particular development by the Applicant, which facilities are then conveyed to the Company. In that event, the Company shall credit the total cost of such Off-site Facilities as an offset to Off-site Facilities Hook-up Fees due under this tariff. If the total cost of the Off-site Facilities constructed by the Applicant and conveyed to the Company is less than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall pay the remaining amount of Off-site Facilities Hook-up Fees owed hereunder upon acceptance of the Off-site Facilities by the Company. If the total cost of the Off-site Facilities contributed by the Applicant and conveyed to the Company is more than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall be refunded the difference upon acceptance of the Off-site Facilities by the Company.

e. Failure to Pay Hook-up Fees; Delinquent Payments. The Company will not be obligated to make an advance commitment to provide or to provide wastewater service to any Applicant if the Applicant has not paid in full all Hook-up Fees hereunder. Under no circumstances will the Company connect service or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

f. Large Subdivision and/or Development Projects. In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of Off-site Facilities Hook-up Fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and Hook-up Fees schedule for the subdivision and/or development.

g. Off-site Facilities Hook-up Fees Non-refundable. The amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fee tariff shall be non-refundable contributions in aid of construction.

h. Use of Off-site Facilities Hook-up Fees Received. All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest-bearing bank account and used solely for the purposes of paying for the costs of

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

installation of Off-site Facilities, including repayment of loans obtained for the installation of Off-site Facilities.

i. Off-site Facilities Hook-up Fees in Addition to On-site Facilities.  
The Off-site Facilities Hook-up Fee shall be in addition to any costs associated with the construction of on-site facilities under a Collection Main Extension Agreement.

j. Disposition of Excess Funds. After all necessary and desirable Off-site Facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fees, or if the Off-site Facilities Hook-up Fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

k. Status Reporting Requirements to the Commission. The Company shall submit a calendar year Off-site Facilities Hook-up Fee status report each January 31<sup>st</sup> to Docket Control for the prior twelve (12) month period, beginning January 31, 2012, until the Off-site Facilities Hook-up Fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the Off-site Facilities Hook-up Fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the bank account, and a list of all facilities that have been installed with the tariff funds during the 12- month period.

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